United Nations S/2002/489

Security Council

Distr.: General
29 April 2002

Original: English

Letter dated 14 March 2002 from the President of the Governing Council of the United Nations Compensation Commission addressed to the President of the Security Council

The Governing Council of the United Nations Compensation Commission has concluded its forty-third session, which was held at Geneva on 12 and 13 March 2002. At the opening plenary meeting of the session the Council elected Bulgaria as a Vice-President of the Governing Council. Representatives of Kuwait and Iraq addressed the Council during the plenary meeting. The statements of the delegations are being sent by mail with the original of this letter.

During the session the Council considered eight reports and recommendations made by the Panels of Commissioners in the D, E3, E4, F1, F2 and F3 categories of claims. The reports on category D claims concern the review of individual claims for damages above US$ 100,000; the report on E3 claims concerns the review of non-Kuwaiti construction and engineering claims; the reports on E4 claims concern the review of Kuwaiti corporate claims; the report on F1 claims concerns the review of claims filed by Governments for losses related to departure and evacuation costs or damage to physical property, and claims filed by international organizations; the report on F2 claims concerns the review of claims filed by the Government of Saudi Arabia; and the report on F3 claims concerns the review of claims of the Government of Kuwait. With the approval of the reports on F1 and F2 claims at the forty-third session, those claims' programmes have now been completed. The tables (annex I) provide details of the amounts of compensation claimed in the reports and the amounts awarded by the Governing Council.

The Governing Council considered the report of the Executive Secretary: summary of activities, covering the period from 1 November 2001 to 31 January 2002. The report covers the processing of claims, the withdrawal of claims, and the payment of approved claims.

The Council discussed several issues relating to the processing and payment of claims, including the seventeenth report of the Executive Secretary pursuant to article 41 of the Provisional Rules for Claims Procedure, and approved corrections to certain category A and category C claims.

The Council concluded its consideration of the request of the delegation of Turkey, made at the opening plenary meeting of the forty-second session, that the Council initiate a study of how to determine the rates of interest on awards, referring to the provisions of decision 16. That decision provides that interest will be awarded from the date the loss occurred until the date of payment, at a rate sufficient to compensate successful claimants for the loss of use of the principal amount of the award; that the methods of calculation

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and of payment of interest will be considered by the Governing Council at the appropriate time; and that interest will be paid after the principal amount of awards. The Council recommended that the methods of calculation and payment of interest be addressed at a future session of the Governing Council at the appropriate time.

The Council heard a presentation form the secretariat concerning the request of the Government of the Syrian Arab Republic that an issue relating to a category E corporate claim filed by the Government of Israel be brought to the attention of the Council. After being informed by the secretariat that an information note was being prepared, the Council decided that the issue should be considered at an informal meeting of the Working Group on the basis of the note.

The Council also heard a presentation from the secretariat concerning the environmental monitoring and assessment claims and the proposed assistance of the United Nations Environment Programme (UNEP) to the Compensation Commission, and received an information note on this issue, together with the proposed memorandum of understanding between UNEP and the Commission, and a budget prepared by UNEP. The Council referred this matter to an informal meeting of the Working Group for its further consideration.

The Council heard a presentation from the secretariat concerning the request of the Office of Internal Oversight Services that its observations on a category F2 claim filed by the Government of Jordan be brought to the attention of the Council. The secretariat informed the Council that it was in the process of preparing an information note on this issue, to be distributed after the session, for its further consideration.

The Council considered and took note of the report of the Executive Secretary on the distribution of payments and transparency, and the return of undistributed funds, and requested the secretariat to continue to inform the Council of the reports of Governments and international organizations on the distribution of payments and the return of undistributed funds. The Council also considered the issue of the frequency of payments under decision 100 of the Governing Council, in the light of an information note, prepared by the secretariat pursuant to the Council's request, on the implementation of decision 100 of the Governing Council concerning the payment mechanism for the third phase of payment. Effective as from the forty-third session of the Governing Council, so as to ensure that payments are made to claimants as soon as practicable (within three to five weeks) after the session at which their claims are approved, the Council recommended that paragraph 1 (f) of decision 100 be amended to read: "payments under the third phase will be made every three months for distribution among successful claimants". The next payment is scheduled for 4 April 2002 so as to include claims approved at the forty-third session.

To date, the Commission has awarded compensation of over $37.7 billion, including the awards approved at the forty-third session, out of an amount of compensation claimed of approximately $129 billion. Over $13.8 billion of the amounts awarded has been made available to Governments and international organizations for distribution to successful claimants in all categories of claims.

Finally, the Governing Council decided to hold its forty-fourth session from 18 to 20 June 2002.

(*Signed*) Sverre Bergh **Johansen**
President of the Governing Council

Annex I

Summary of recommendations

A. Report and recommendations made by the D2 Panel of Commissioners concerning the tenth instalment of individual claims for damages above $100,000 (category D claims) (S/AC.26/2002/1)

Country	*Number of claims recommended for payment*	*Number of claims not recommended for payment*	*Amount of compensation claimed (US$)*	*Amount of compensation recommended (US$)*
Kuwait	609	1	404 984 363.94	281 551 235.07

B. Report and recommendations made by the D1 Panel of Commissioners concerning the eleventh instalment of individual claims for damages above $100,000 (category D claims) (S/AC.26/2002/2)

Country or international organization	*Number of claims recommended for payment*	*Number of claims not recommended for payment*	*Amount of compensation claimed (US$)*	*Amount of compensation recommended (US$)*
Australia	1	-	393 905.22	27 404.38
Canada	9	1	10 534 055.39	3 197 454.94
Denmark	1	-	434 658.98	85 286.74
Egypt	1	-	168 689.02	13 917.00
India	23	4	11 163 044.29	2 666 246.80
Iran (Islamic Republic of)	-	4	3 649 619.38	nil
Jordan	152	12	147 772 460.30	38 963 830.04
Kuwait	248	7	176 570 418.07	119 095 340.17
Lebanon	1	-	10 380.62	72 035.00
Pakistan	1	-	586 014.00	80 714.12
Singapore	1	-	286 685.05	22 222.00
Syrian Arab Republic	5	1	5 579 744.87	1 451 747.60
United Kingdom	2	-	423 154.47	108 447.00
United States	1	-	4 138 711.57	614 460.10
Yemen	39	8	21 731 313.44	5 765 067.95
UNDP Yemen	1	-	749 445.00	268 224.98
UNRWA Gaza	1	-	106 121.11	29 316.00
Total	**487**	**37**	**384 298 420.78**	**172 461 714.82**

C. Report and recommendations made by the Panel of Commissioners concerning the twenty-third instalment of E3 claims (S/AC.26/2002/3)

Country	*Number of claims recommended for payment*	*Number of claims not recommended for payment*	*Amount of compensation claimed (US$)*	*Amount of compensation recommended (US$)*
Germany	3	1	3 200 717	517 622
Japan	-	2	5 011 566	nil
Netherlands	1	1	858 284	229 956
The former Yugoslav Republic of Macedonia	-	1	904 272	nil
United Kingdom	2	1	106 051	67 282
United States	1	-	1 244 869	156 705
Total	**7**	**6**	**11 325 759**	**971 565**

D. Report and recommendations made by the Panel of Commissioners concerning the nineteenth instalment of E4 claims (S/AC.26/2002/4)

Country	*Number of claims recommended for payment*	*Number of claims not recommended for payment*	*Amount of compensation claimed (US$)*	*Amount of compensation recommended (US$)*
Kuwait	134	5	198 832 602	80 250 015

E. Report and recommendations made by the Panel of Commissioners concerning the twentieth instalment of E4 claims (S/AC.26/2002/5)

Country	*Number of claims recommended for payment*	*Number of claims not recommended for payment*	*Amount of compensation claimed (US$)*	*Amount of compensation recommended (US$)*
Kuwait	144	1	227 556 737	99 339 950
United States	1	-	1 551 377	237 562
Total	**145**	**1**	**229 108 114**	**99 577 512**

F. Report and recommendations made by the Panel of Commissioners concerning the sixth instalment of F1 claims (S/AC.26/2002/6)

Country or international organization	*Number of claims recommended for payment*	*Number of claims not recommended for payment*	*Amount of compensation claimed (US$)*	*Amount of compensation recommended (US$)*
Egypt	2	2	130 765 815	9 368 845
Iran (Islamic Republic of)	2	1	9 428 275 190	9 821 393
Sri Lanka	1	-	109 384	49 993
Tunisia	2	-	219 262	92 417
Arab Fund for Economic and Social Development	1	-	68 895 173	6 758 927
Arab Towns Organization	1	-	1 100 021	63 388
The Arab Planning Institute — Kuwait	1	-	3 331 135	796 069
The Gulf Arab States Educational Research Centre	1	-	792 388	215 927
The Inter-Arab Investment Guarantee Corporation	1	-	6 292 272	58 761
The Joint Programme Production Institution for the Arab Gulf Countries	1	-	16 856 644	4 529 934
Total	13	3	9 656 637 284	31 755 654

G. Report and recommendations made by the Panel of Commissioners concerning the third instalment of F2 claims (S/AC.26/2002/7)

Country	*Number of claims recommended for payment*	*Number of claims not recommended for payment*	*Amount of compensation claimed (US$)*	*Amount of compensation recommended (US$)*
Saudi Arabia	14	4	9 393 747 198	158 706 818

H. Report and recommendations made by the Panel of Commissioners concerning part one of the third instalment of F3 claims (S/AC.26/2002/8)

Country	*Number of claims recommended for payment*	*Number of claims not recommended for payment*	*Amount of compensation claimed (US$)*	*Amount of compensation recommended (US$)*
Kuwait	15	-	3 766 611 484	940 577 000

Annex II

Documents before the Compensation Commission at its forty-third session

1. Report and recommendations made by the D2 Panel of Commissioners concerning the tenth instalment of individual claims for damages above $100,000 (category D claims) (S/AC.26/2002/1).
2. Decision concerning the tenth instalment of individual claims for damages above $100,000 (category D claims) (S/AC.26/Dec.146 (2002)).
3. Report and recommendations made by the D1 Panel of Commissioners concerning the eleventh instalment of individual claims for damages above $100,000 (category D claims) (S/AC.26/2002/2).
4. Decision concerning the eleventh instalment of individual claims for damages above $100,000 (category D claims) (S/AC.26/Dec.147 (2002)).
5. Report and recommendations made by the Panel of Commissioners concerning the twenty-third instalment of E3 claims (S/AC.26/2002/3).
6. Decision concerning the twenty-third instalment of E3 claims (S/AC.26/Dec.148 (2002)).
7. Report and recommendations made by the Panel of Commissioners concerning the nineteenth instalment of E4 claims (S/AC.26/2002/4).
8. Decision concerning the nineteenth instalment of E4 claims (S/AC.26/Dec.149 (2002)).
9. Report and recommendations made by the Panel of Commissioners concerning the twentieth instalment of E4 claims (S/AC.26/2002/5).
10. Decision concerning the twentieth instalment of E4 claims (S/AC.26/Dec.150 (2002)).
11. Report and recommendations made by the Panel of Commissioners concerning the sixth instalment of F1 claims (S/AC.26/2002/6).
12. Decision concerning the sixth instalment of F1 claims (S/AC.26/Dec.151 (2002)).
13. Report and recommendations made by the Panel of Commissioners concerning the third instalment of F2 claims (S/AC.26/2002/7).
14. Decision concerning the third instalment of F2 claims (S/AC.26/Dec.152 (2002)).
15. Report and recommendations made by the Panel of Commissioners concerning part one of third instalment of F3 claims (S/AC.26/2002/8).
16. Decision concerning part one of the third instalment of F3 claims (S/AC.26/Dec.153 (2002)).
17. Seventeenth report of the Executive Secretary pursuant to article 41 of the Provisional Rules for Claims Procedure (S/AC.26/2002/9).

18. Decision concerning corrections of awards pursuant to article 41 of the Provisional Rules for Claims Procedure (S/AC.26/Dec.154 (2002)).

19. Decision concerning the priority of payment and payment mechanism for the third phase of payment (S/AC.26/Dec.100 (2000)/rev.1).